

**MINUTES OF THE SPECIAL MEETING OF THE
WASHINGTON STATE TRANSPORTATION COMMISSION
November 5, 2001**

The regular meeting of the Washington State Transportation Commission was called to order at 8:00 a.m., on November 5, 2001, in Eastern Region Spokane County Conference Room of the Eastern Region Headquarters Building, 2714 North Mayfair Street, Spokane, Washington.

Commissioners present were: Chris Marr, Ed Barnes, Aubrey Davis, George Kargianis, A. Michèle Maher and Connie Niva.

COMMISSION DISCUSSION WITH EASTERN REGION EMPLOYEES

Commissioner Marr introduced himself and explained the new format of the Commission's local area meetings, which includes a roundtable discussion with the Department employees. The commissioners each introduced themselves, providing the employees with their backgrounds and the unique perspectives they each bring to the Commission. The employees attending each introduced themselves and described their role in the Department. The commissioners and employees then discussed the current transportation revenue and budget situation and what the Commission and Department management team are doing to obtain increased funding.

**JOINT MEETING OF THE COMMISSION AND THE SPOKANE REGIONAL
TRANSPORTATION COUNCIL**

The Commission reconvened its meeting at 10:10 a.m. in the Spokane Transit Authority South Side A Conference Room, 1230 W. Boone Avenue, Spokane, Washington.

Commissioner Marr explained the new approach to the Commission's local meetings and also reported that Governor Locke would be joining the Commission in the afternoon for a brief discussion. The commissioners and members of the Spokane Regional Transportation Council then introduced themselves.

John Powers, Mayor of Spokane, welcomed the Commission to Spokane. He stated that transportation has always been essential for a healthy community and economy. He thanked Commissioner Marr for his leadership on the Commission, and thanked Secretary MacDonald for his leadership of the Department.

Mike Taylor, Taylor Engineering, briefed the Commission regarding the Spokane Citizen's Street Funding Committee's work to identify local transportation needs and develop recommendations for funding. He informed the Commission that Spokane has over 800 miles of streets within the city limits. Previous ballot measures proposing funding for street improvements failed. The City then asked for a citizen's committee to

identify what the public would support in the way of a transportation program. The Committee found that basic maintenance of the existing streets will require \$3.5 million more per year than is presently funded, and that reconstruction or preservation of the streets requires additional funding beyond that amount. He pointed out that the Committee found that heavy traffic and the high volume and weight of truck traffic is damaging the streets, resulting in the need for reconstruction. The Committee estimates that \$160 million will be needed to bring the streets to the standards required by present use. Mr. Taylor stated that the Committee also studied the degree of public support for taxes to invest in transportation. The Committee found that there was not a lot of public support for increased local option taxes, and less so after the events of September 11th. Discussions with the Spokane County Commission indicated the County Commission would defer to the voters on the issue. Mr. Taylor commented that a formal survey of the voters would be useful. The Committee is also exploring the possibility of imposing a street utility tax, in an effort to treat streets like other public utilities and take the investment in transportation systems out of the political arena.

Commissioner Marr stated that the issue of local funding reaches beyond the City of Spokane and Spokane County. The need to solve the problem of the lack of investment in local transportation facilities and the lack of revenue to support the increased investment is a statewide issue. He pointed out that the gas tax has not kept up with inflation; if the tax had increased with inflation during the past several years, there would be seven cents more revenue per gallon of gas sold to distribute to local governments. He commented that the State and local governments have not invested adequately in transportation during the past twenty years, resulting from the unwillingness on the part of the public and the political leadership of the State to support a gas tax increase.

Mayor Powers informed the Commission that the annual street budget is \$14.5 million, supported by \$7 million in General Fund revenues and the remainder from gas tax and grants. The General Fund share of the budget will increase by \$300,000 this year. He proposed that the solution to local transportation needs is a five to ten year investment strategy using both statewide and local tax revenues.

Kate McCaslin, Commissioner, Spokane County, informed the Commission that the county budget for transportation increased by 30% this year, and will increase by the same amount next year, in order to invest in both preservation and improvement of the county road system. Even with those increases, there is a need for more investment, and therefore, she supports the concept of a long-term statewide plan. She commented that the key to public support for investment is the credibility of local officials. She stated that she is concerned that Spokane County is a donor county, and has been for years, receiving about seventy-five cents on the dollar.

Roger Flint, Public Works Director, City of Spokane, commented that, using the City of Spokane as a case study, as cities grow they are using the gas tax to match grants; but as more cities incorporate, the share of gas tax for each existing city declines, which then also reduces the amount of revenue available from grants. He pointed out that counties don't have that problem, since the number of counties is fixed. He stated that the capital investment problem is growing, and creates a maintenance problem as well, because of the deterioration of the roadbed.

Commissioner Marr asked the participants what their thinking was relative to regionalism proposals being considered by the Legislature. He commented that the focus during the legislative session was on developing a model usable for the central Puget Sound, rather than the other areas of the State. He suggested that there would be an opportunity during the coming session to shape a proposal that would work for each region. John Roskelley, Commissioner, Spokane County, responded that while the County has funding for transportation investments, it knows that it has to think regionally because the residents of the county also use city streets. He stated that a statewide funding program is important. He added that policy makers should remember the impact of weather and climate on the Eastern Washington road system. The additional preservation requirements for Eastern Washington justify the shift of dollars to that area. Jerry Lenzi, WSDOT Eastern Region Administrator, commented that studded tires cost the State \$10 million or more per year in damage to the highways, and will take a decade to phase out. He also commented that while it is true the urban counties are helping out the rural counties, regardless of which side of the State they are on, it is important to preserve the rural highways. Commissioner Maher commented that the statewide system, including the rural highways, support the trade that goes through and supports the economies of the urban counties. Mr. Taylor stated that the State and local governments have to set priorities, and only do what has to be done. There is not enough income within Spokane County to support the increased level of funding being proposed.

Representative Lynn Schindler stated that the Legislature had a plan a few years ago to transfer the revenues from the Motor Vehicle Excise Tax into the transportation system, but then it was repealed. The Legislature then considered adding a two percent vehicle sales tax and parts sales tax to invest in transportation, but that received no support. In contrast, Spokane County examined its entire budget and structured it to focus on priority areas, including transportation. Commissioner Barnes commented that he agreed with the proposal to impose a sales tax on car sales and automotive parts. As the I-5 Partnership Study Co-chair, he is aware of the need for each region to have the ability to raise revenues to supplement a strong statewide investment program.

Greg Northcutt, Light Rail Project Director, Spokane Transit Authority, briefed the Commission regarding the status of the Spokane Light Rail Project. He stated that the light rail project is proactively planning for the future transportation needs of the Spokane County area. It provides an alternative to the automobile, in an environmentally

sound manner. He briefly described the project requirements, the funding assumptions, the organization of the project, the project schedule, the cost estimate for the project and the alignment plans. He pointed out that there are over one hundred light rail projects nationwide. The Spokane corridor will be sixteen miles long, running twenty-two vehicles serving fourteen stations. It will primarily use existing railroad right of way.

COMMISSION ROUNDTABLE DISCUSSION WITH INVITED TRANSPORTATION STAKEHOLDERS

Secretary MacDonald began the discussion by summarizing the Department's analysis of the current transportation crisis. The State's population has grown by 43% since 1980, employment has risen by 58% during the same time period, vehicle registrations have grown by 57% and ferry ridership has increased by 59%. Vehicle miles traveled has increased by 88%, and transit and vanpool ridership is also up by 75%. During the same twenty year time period, capital investment has not increased in real dollar terms, and the transportation capital outlay per dollar of personal income has fallen by 50%. Washington's highway spending between 1992 and 1998 was only 6.7% of the State budget, compared to the median State level of 9.5% nationwide. Washington State is one of the most gas tax dependent states in the country, depending on the gas tax for 72.4% of the highway expenditure compared to 52.4% for the median State nationwide. Even though Washington repealed the Motor Vehicle Excise Tax, which supported the transportation budget, the State has only increased the gas tax by 27.8% since 1984, compared to the nationwide average of 82.3%. The effect of the under-investment in transportation is that there are many highway chokepoints and bottlenecks, many safety improvements waiting to be made, a backlog of capacity expansion projects, aging interstate pavements, overdue bus and rail transit improvements, earthquake vulnerable bridges, outdated ferries, obsolete ferry terminals and unmet environmental remediation needs. The daily hours of delay on the urban interstates have increased by 184% since 1993, and the daily hours of delay on the urban non-interstate highway system has increased by 65%. Secretary MacDonald laid out the Department's strategy for reversing the decline in the transportation system. The program includes better use of the existing infrastructure through better highway incident management, and travel demand management to shift demand away from capacity choked peak periods. The Department will continue to invest in preservation of the highways at the lowest life cycle rehabilitation timetable. Investment levels need to be increased to upgrade forty bridges to seismic standards. Upgrading of 488 miles of rural rail line is needed to enable them to carry modern, heavier freight cars. Ferry terminals need to be upgraded or replaced. In addition to the investments in better operation and in preservation, an aggressive improvement program is needed to invest in a new infrastructure. Secretary MacDonald pointed out that many other states already have aggressive investment programs to improve their competitiveness in the national and international economy. He closed his presentation by discussing the Department's efforts to improve its efficiency and its accountability to the public.

Commissioner Marr welcomed Governor Gary Locke to the meeting, and summarized the issues facing the Commission and the Department. He commented that the State is at a crossroads in transportation. Growing partisanship and legislative gridlock has blocked solutions to the transportation challenges facing the State, despite everyone's best efforts. In response to the failure of the Legislature to pass transportation funding increase last session, the Commission worked on a supplemental budget proposal that is carefully prioritized and aimed at a mix of improving the efficiency of the existing system and increasing the capacity of the system. The Commission has also been grappling with the revenue shortfall in the General Fund, which will impact approximately \$100 million of the current law transportation budget. The budget discussions regarding what to do in response to the shortfall have been heated, but the Commission is attempting to work through to a solution that will be workable. Commissioner Marr pointed out that the State has growing transportation needs, as well as emergent problem such as the Alaskan Way Viaduct. The Commission and Department are working hard to improve the Agency's efficiency and accountability to the public. In addition, the Commission and Department are making efforts to improve and increase outreach to the public. Commissioner Marr also asked that the need for local governments to have funding to address local transportation needs not be overlooked in the development of a funding proposal for the 2002 legislative session. Commissioner Marr closed his introductory remarks by asking the Governor to discuss his perspectives on the transportation issues.

Governor Locke congratulated the Commission on its selection of Doug MacDonald as Secretary of Transportation. He stated that there have been clear improvements and successes within the Department of Transportation under the leadership of Secretary MacDonald. He believes Secretary MacDonald has set the Department on a new course, winning the respect of legislators and stakeholders. Governor Locke stated that it is time to move forward with the legislation to streamline the environmental permitting process and to allow the Department to use design-build methods in construction. He urged the Commission and the Department to move forward implementing the recommendations of the Blue Ribbon Commission on Transportation in that the Legislature was not able to address. He stated that there is a definite need to provide new revenue transportation investment. Governor Locke commented that after September 11th, people are asking what they should do. He stated that he believes the people should not withdraw or hibernate, but rather create a vision of a better Washington. That means producing a stronger economy and improved mobility for people and freight. He commented that the State should not wait to launch investment in the transportation system: the State needs to act now, to have a transportation system ready for the future. Governor Locke commended the Commission for its leadership and advocacy on behalf of the residents of the State.

Commissioner Davis informed Governor Locke that the Commission took the Blue Ribbon Commission on Transportation's proposal for benchmarks very seriously, and has already started working on developing and implementing a system of benchmarks

for the Department. He pointed out that the vision of the candidates for performance measurement in transportation was a key criterion in the selection of the new Secretary. Commissioner Kargianis stated his appreciation for the Governor's efforts to obtain increased revenue for transportation investments. He asked the Governor to share his thoughts on how to achieve the increased revenue.

Governor Locke responded that he supports using transportation as an economic stimulus tool, as a way to improve the business environment within the State. He pointed out that the Compromise Spending Plan developed in July 2000 would have provided more than 20,000 jobs. In addition, the General Fund Capital Budget would produce jobs. He indicated that he is finding growing interest among legislators for using transportation as an economic stimulus. The State needs to make sure that when Boeing recovers from the recent order cancellations that there will be a transportation system that will attract Boeing to invest in the region, rather than in another state. Governor Locke stated that the governors around the country are talking together, and finding they have the same need for transportation investment and economic stimulus. The governors are working together to achieve solutions to these problems.

Commissioner Marr commented that the morning's discussion had raised the issue of providing revenue for increased investments in local transportation systems. He stated that the Commission supports investments in the entire transportation system, and attention to the economic needs of the rural areas of the State. He asked the Governor for his thoughts on how the State can improve the economies of the rural areas. Governor Locke responded that he had supported and implemented an earmarking of federal transportation dollars for rural economic development. He stated his support for the continuation of that program. Commissioner Barnes stated that the regions are concerned that the State provide increased investment in all regions, rather than leaving each region to take care of itself. Governor Locke stated that he supports regions being authorized to develop supplemental revenues for transportation investment, but not as a substitute for the State's role. He stated that the State should not abdicate its responsibility for the statewide system.

Commissioner Marr recognized the attendance of Rick Galloway of the Kalispell Tribe, and commented that he appreciated the Governor's willingness to allow Colleen Jollie to join the Department as its Tribal Liaison. Mr. Galloway expressed his appreciation for the transition of Ms. Jollie to the Department, and stated that cooperation and coordination between governments is essential in a time of growing needs and declining revenue. He also recognized the attendance of the business community at the meeting. Governor Locke responded that if transportation is as vital as everyone believes, then people should judge elected officials accordingly and advocate transportation investment to those officials. Commissioner Niva stated that she supported the Governor's comments, and at the same time recognizes the difficult problem of the decline in General Fund revenues. Commissioner Kargianis expressed his appreciation to the Governor for joining the Commission at the meeting, and indicated the

Commission's interest in meeting with the Governor periodically in Olympia. Governor Locke expressed his appreciation for the opportunity to meet with the Commission and the other participants. Commissioner Marr thanked the Governor for his time.

Jerry Lenzi, Eastern Region Administrator, Department of Transportation, briefed the Commission regarding the pending and planned work in the Eastern Region. He stated that a goal of the Department is to deliver the program on time and within budget. He discussed the accomplishments along the I-90 corridor, which included interchange improvements and other expansion projects. He also described the work accomplished on US 395, from Hastings to milepost 172. He also briefed the Commission regarding the progress being made on the US 395 North Spokane Corridor project, which broke ground on August 22nd. The corridor will be 10.5 miles long, with five interchanges. He also reported on the resurfacing and turn lane improvements on SR 290, Trent Avenue. Mr. Lenzi pointed out that vehicle miles traveled in Spokane is growing about the same rate as the other urban areas of the State, with very large increases along the major corridors. The top priorities for the Eastern Region are: the SR 395 North Spokane Corridor, I-90 Argonne to Idaho, US 395/Half Moon project, and SR 195 Hatch Road to I-90. Other priorities include SR 270 between Pullman and Idaho, and SR 31 from Metalline Falls to Canada. The Region is also developing a traffic management center. Commissioner Marr asked how the priority list was arrived at. Mr. Lenzi responded that the Region has combined a focus on major corridors with a supplemental list of high benefit-to-cost projects. He pointed out that the Department's experience with US 395 from Ritzville to Pasco demonstrated that when the Department has a clear commitment of adequate funds for a project, the corridor can be built rapidly and efficiently. Representative Alex Wood responded that the Legislature passed the Environmental Permit Streamlining Bill and the design-build authority for the Department, which should help in obtaining funding and delivering the program. Mr. Lenzi commented that the design-build approach would work especially well on the North Spokane Corridor project. Representative John Ahern pointed out that the Legislative session produced some positive results, including the Environmental Permit Streamlining Bill, the design-build authority, and also the authority for the Commission to increase the Washington State Ferries fares above the I-601 limit. It commented that these changes would resonate with the voters, who are looking for efficiency, accountability and program delivery. He stated that the additional funding for construction would come from both increased efficiency and increased revenue. Representative Ahern pointed out that the 1991 gas tax increase was not indexed to inflation, which resulted in an erosion of the revenue base for transportation investment. He stated that the best way to obtain the tax increase would be to put it to a vote of the people, and that the Legislature should accept the responsibility to communicate the need for a positive vote to the public. He stated that the Legislature should pass prevailing wage reform legislation and privatization legislation.

Frank Tombari, Farmers and Merchants Bank, commented that fifteen to twenty percent of the population lives east of the Cascades, which significantly influences its political power. He stated that there are strategic corridors across the State that need to

be completed. He examined the Blue Ribbon Commission on Transportation recommendations, and found that it had a number of possibilities, but that it was so complex that the Legislature should choose a few priorities that can be accomplished through broad acceptance, and then, adopt a revenue package. He stated that some of the revenue package should be voter approved, and some adopted directly by the Legislature. He also stated that some of the focus should be on the local transportation systems. He pointed out that the Transportation Improvement Board and the County Road Administration Board and other funding agencies have worked well, and should not be disrupted. Mr. Tomberi commented that the Blue Ribbon Commission on Transportation failed by not encouraging diverting population growth to outside of the Puget Sound – I-5 corridor, which would reduce the expense of the transportation infrastructure that would need to be built to accommodate growth.

Ed Sharman, Inland Automobile Association, stated that he was interested in the idea of legislators promoting a tax package to the public. He believes that legislators should provide that kind of leadership. He reported on a survey conducted by his association, which had a fifty percent return rate. Over sixty percent believe the State transportation system is in either average or poor condition. Sixty-five percent believe that the Department of Transportation operated efficiently. Seventy-eight percent believe that environmental permits are not too restrictive. Forty-five percent stated that resurfacing local streets should be at the top of priority lists. Most of the survey participants stated that the gas tax is the way to revenue, and supported the cutting of elected officials salaries. Sixty-eight percent of the survey respondents said that the Department should decide what projects should be built, not the Legislature.

Steven Shrope, David Evans & Associates, stated that his firm is involved in the planning for the light rail system, working hand-in-hand with the Department. He stated that Spokane area residents are realizing the growth in congestion and the need to address it. The solutions to congestion should be multi-modal; the public may be more supportive of transportation investment than people realize.

Mr. Galloway distributed a list of priority issues important to the Kalispel Tribe of Indians, which included support for the new tribal liaison position and the appointment of Colleen Jollie, State funding for tribal transportation planning, the formation of a statewide tribal transportation coordinating committee, the improvement of the USK Bridge, the creation of a pedestrian and bicycle trail between Newport to Ione, transit service between Spokane and tribal headquarters, Spokane Transit Authority fixed route service down Hayford Road and Sprague Avenue in Airway Heights, and interpretive signage in and around the reservation.

Mike Dubee, Washington State Patrol, reported that the Patrol conducts a customer satisfaction survey every year. In Spokane, the number one issue is traffic congestion. The results are different from most other areas of the State, which typically report DUI and aggressive drivers as the number one concern. Captain Dubee stated that

the Department and Patrol have a very close working relationship to manage traffic in the area.

John McHugh, Idaho Transportation Board, expressed his appreciation for the work being conducted to plan for the removal of rail and road crossing conflicts in the Spokane Valley, and the improvements being worked on for SR 270 between Pullman and Moscow.

Scott Stokes, Idaho Department of Transportation, expressed his appreciation for the close coordination between the Washington and Idaho departments.

Commission Marr concluded the discussion by pointing out that because of the cross-commute patterns, the Spokane area and the Coeur d'Alene/Post Falls areas will likely become a joint Statistical Metropolitan Area.

PUBLIC AND LEGISLATOR COMMENT PERIOD

Paul Locke commented that the State does not need to put more money into transportation, but rather needs to get better results with the money it has. He gave the example of a project in Seattle regarding a Safeway improvement, in which the City's requirements doubled the price of the project. The Washington State Patrol should either limit its functions to traffic management or obtain funding from the General Fund. The Department of Transportation should turn over its contracting function to the Department of General Administration. The Department's functions should be privatized to reduce costs.

Alan Fackenthall discussed the proposed tunnel through the Cascade Mountains on I-90, stating his support and informing the Commission regarding his work with Connie Little, another proponent of the project. He estimated that the addition of two tunnels near Lake Kachess and two tunnels under Snoqualmie Pass would shorten the trip by six miles, allow all weather travel, save 1,650,000 gallons of fuel per year, and would cost less than \$2 billion.

Richard Rolland thanked the Commission for the Commission's and Department's participation in the Tribal Transportation Conference. He commented that the conference was a productive work session, and should produce ongoing reports from the Department regarding the progress being made on the initiatives identified at the meeting. He commented that Secretary MacDonald's presentation regarding State needs is very pertinent to the situation facing the tribes. The tribes support taking a complete system approach to a transportation solution. Mr. Rolland also stated that he works for Eastern Washington University, on Riverfront Boulevard. He expressed his concern that the master plan for the intercollegiate campus is being abandoned by Washington State University, and that the pedestrian needs on Trent Avenue are not being addressed. He

asked that Mr. Lenzi continue to press Washington State University to support the original proposed realignment of Trent Avenue, to increase safety for the students on campus.

Representative Ahern stated that he is on the Trade and Economic Development Committee, and is promoting the value of Spokane as an economic center. He commented that the political reality is that a tax vote by the Legislature is hard. He promised to work within the Legislature to figure out how to sell it to the public.

Representative Wood thanked the Commission for coming to Spokane. He stated that the House Democrats had 35 or 36 votes for a tax package last session. He stated that if the tie in the House is broken in the November election, the House Democrats would have the Legislature take a vote on the tax package.

The Commission meeting adjourned at 4:00 p.m. on November 5, 2001.